

# THE EXPORT LICENSE PROCESS



# **EXPORT LICENSE PROCESS**

- **Recent News**
- **IPO proposal  
about to pay off**
- **Latest IPO  
proposed alchemy**

# RECENT NEWS

- **Lisa Bronson has taken over reins at DTSA**
- **State participating in USXPORTS meetings**
- **State has announced pilot program**

# STATE PILOT PROGRAM

- **What:**

- **Allows for submission of contracts, tech data and other supporting data electronically**
- **Includes electronic transfer and monitoring of licenses referred to other agencies**
  - ✓ **looking to reduce processing time for referred licenses 25-50%**
  - ✓ **strengthen interagency**

# STATE PILOT PROGRAM

## Continued

- **What Licenses?** TAAs and DSP-5s
- **How:** use internet with high-end commercial encryption and digital authentication of electronic signatures
- **When:** introduced in next few weeks

# IPO HAS BEEN SCANNING



San Diego

China Lake

Pax River

Newport RI

Pt. Mugu

Dahlgren

Port Hueneme

Crane Indiana

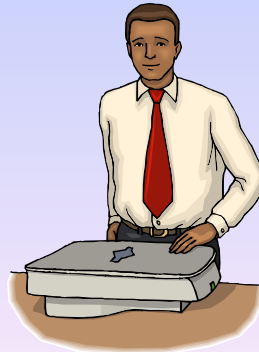
Quantico

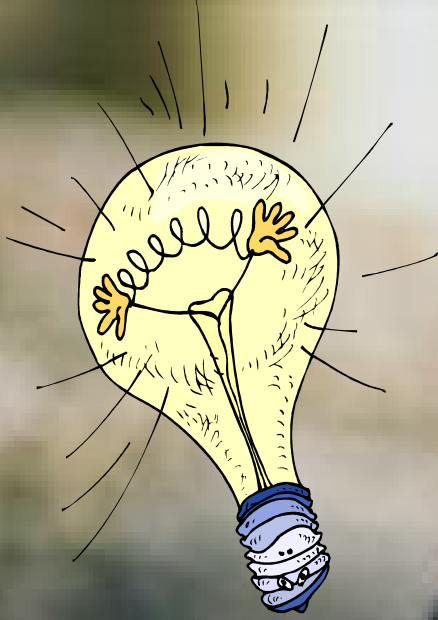
# SO HAS EVERYONE ELSE

To a large  
degree we are  
scanning the  
same export  
license 5

times  
AF

LO/CLO

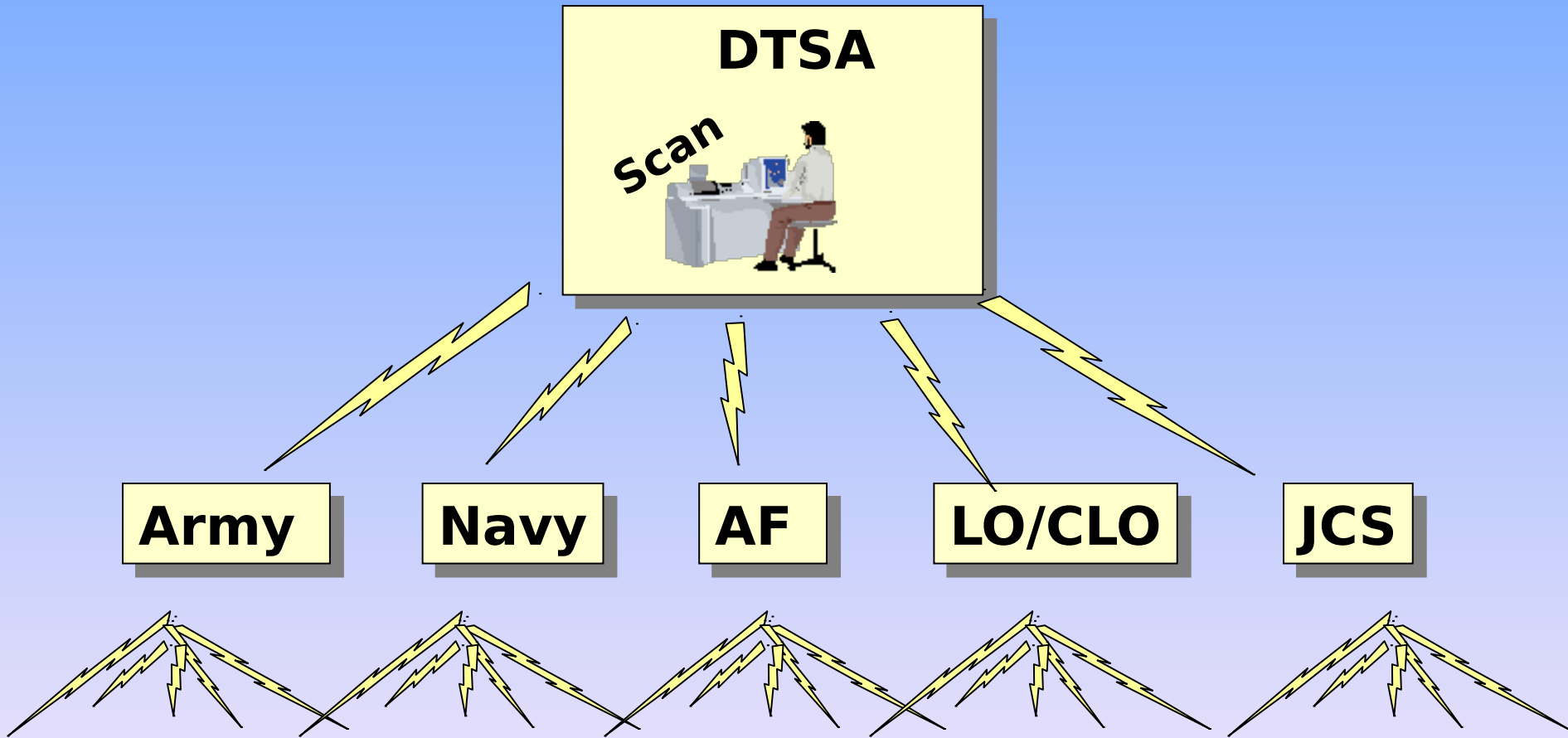




**A RADICAL IDEA IS BORN!**



# CENTRALIZED SCANNING



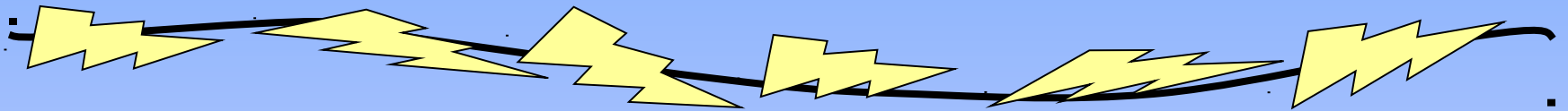
BUT WOULD IT BE MORE EFFICIENT?



A vexing economic  
tradeoff!

# WHICH WOULD BE FASTER?

Electronic Transmission

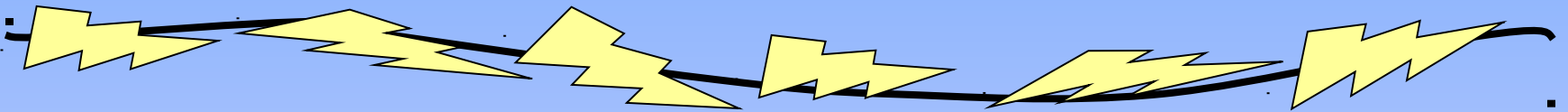


or the Courier (with overdrive)



# WHICH IS FASTER?

Speed of Light  $c = 186,000$  mps

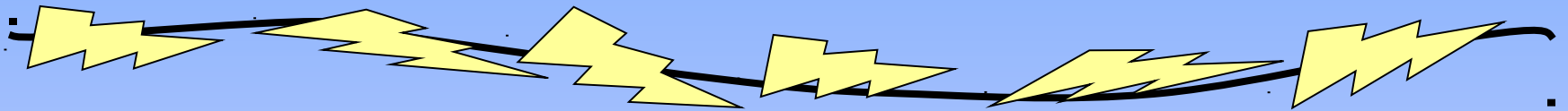


35 mph

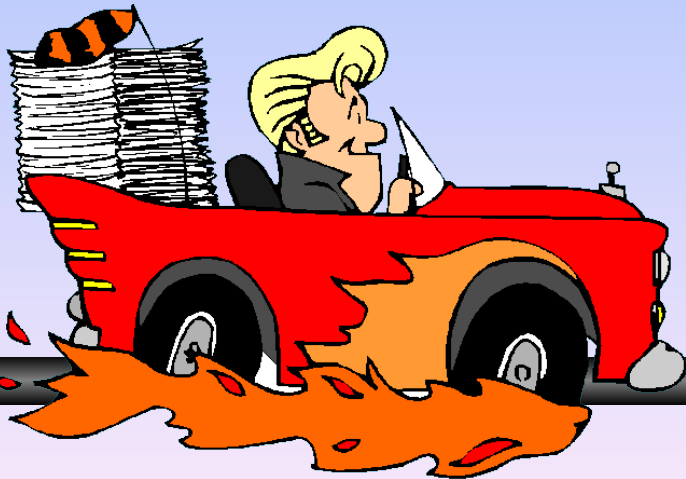


# WHICH IS FASTER?

Speed of Light  $c = 186,000$  mps



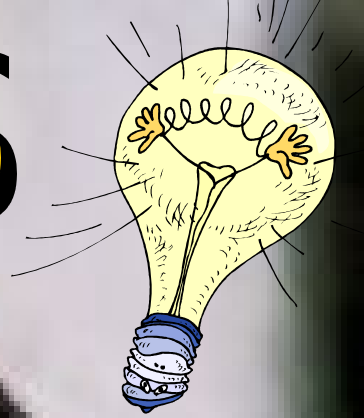
.01 mps



# STATUS

- **Proposal on Lisa Bronson's desk**
  - ✓ **Supporting centralized scanning**
  - ✓ **USXPORTS to provide hardware**
  - ✓ **DTSA to "look" for money to fund 2 manyears**

# RULESETS

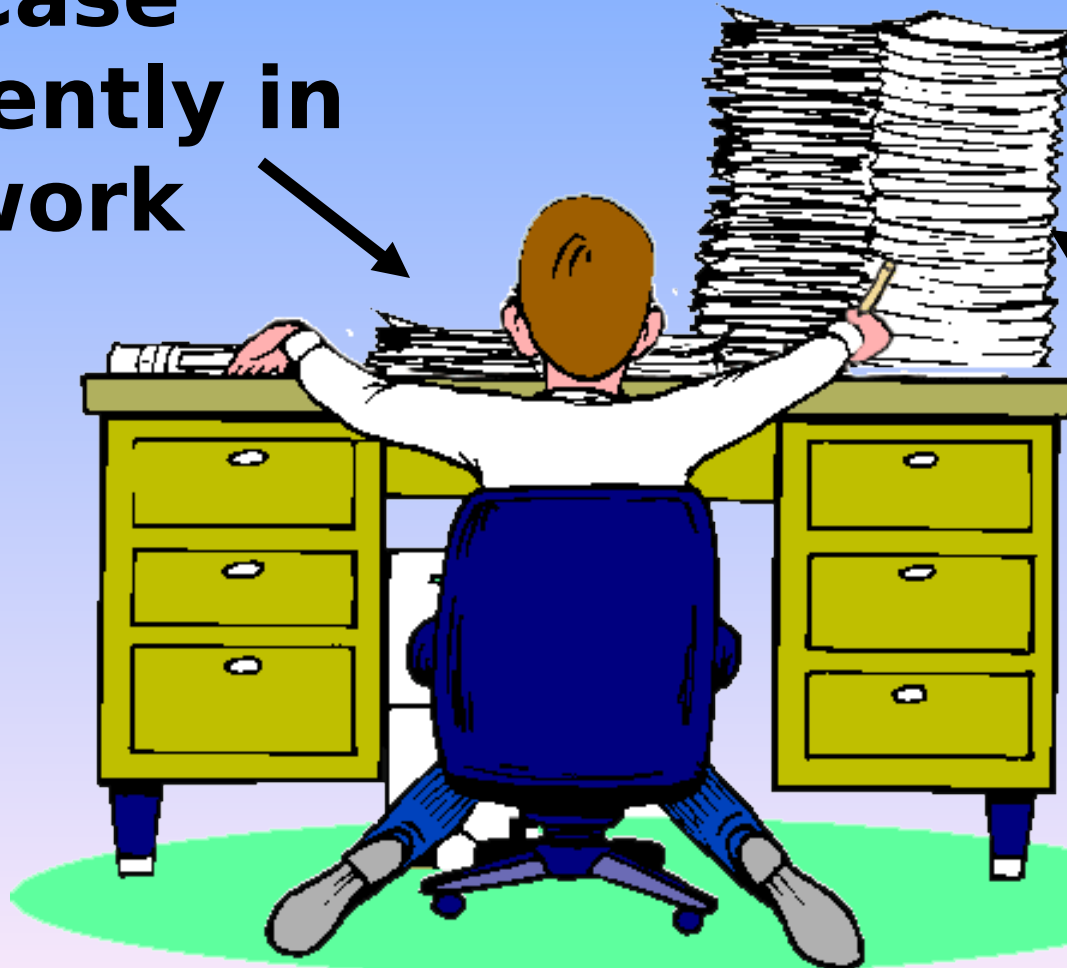


PERHAPS TOO  
MUCH GINKGO  
BILOBA GOT  
INTO THE IPO  
WATER SUPPLY



# **CURRENTANUA REVIEW**

**Case  
currently in  
work**



**A week  
away in  
the  
queue**



# ELECTRONIC FILES WITH MANUAL REVIEW (NO RULESET)

**Case  
currently in  
work**



**A week  
away in  
the  
queue**

# ELECTRONIC FILES WITH AUTOMATIC RULESET

**Only  
working  
cases as  
they return  
from  
Services  
with  
recommend-  
ation**



Surface  
and  
Subsurface

# MUNITIONS

Of course the  
Navy is  
interested in  
Surface and  
Subsurface  
items

CAT	DESCRIPTION		
I	Firearms		Finder, Optical Control Equipment
II	Artillery Projectors		Equipment
III	Ammunition		Agents and Equipment and Radiological Equipment
IV	Launch Vehicles, Guided Missiles, Ballistic Missiles, Rockets, Torpedoes, Bombs and Mines	XV	Spacecraft Systems and Associated Equipment
V	Explosives, Propellants, Incendiary Agents, and Their Constituents	XVI	Nuclear Weapons Design and Equipment
VI	Vessels of War and Special Naval Equipment	XVII	Classified Articles, Technical Data and Defense Services Not Otherwise Enumerated
VII	Tanks and Military Vehicles	XVIII	[Reserved]
VIII	Aircraft, [Spacecraft] and Associated Equipment	XIX	[Reserved]
IX	Military Training Equipment	XX	Submersible Vessels, Oceanographic and Associated Equipment
X	Protective Personnel Equipment	XXI	Miscellaneous Articles

# MUNITIONS

But the  
Navy has  
Air  
platforms  
as well

C	CAT	DESCRIPTION
	XII	Fire Control, Range Finder, Optical and Guidance and Control Equipment
II	XIII	Auxiliary Military Equipment
III	XIV	Toxicological Agents and Equipment and Radiological Equipment
IV	XV	Spacecraft Systems and Associated Equipment
V	XVI	Nuclear Weapons Design and Equipment
VI	XVII	Classified Articles, Technical Data and Defense Services Not Otherwise Enumerated
VII	XVIII	[Reserved]
VIII	XIX	[Reserved]
IX	XX	Submersible Vessels, Oceanographic and Associated Equipment
X	XXI	Miscellaneous Articles

# MUNITIONS LIST

Surface  
and  
Subsurface

Air

Ground

And the  
Marine  
Corps has  
ground  
systems

		DESCRIPTION	
		XII	Fire Control, Range Finder, Optical and Guidance and Control Equipment
		XIII	Auxiliary Military Equipment
		XIV	Toxicological Agents and Equipment and Radiological Equipment
IV	Launch Vehicles, Guided Missiles, Ballistic Missiles, Rockets, Torpedoes, Bombs and Mines	XV	Spacecraft Systems and Associated Equipment
V	Explosives, Propellants, Incendiary Agents, and Their Constituents	XVI	Nuclear Weapons Design and Equipment
VI	Vessels of War and Special Naval Equipment	XVII	Classified Articles, Technical Data and Defense Services Not Otherwise Enumerated
VII	Tanks and Military Vehicles	XVIII	[Reserved]
VIII	Aircraft, [Spacecraft] and Associated Equipment	XIX	[Reserved]
IX	Military Training Equipment	XX	Submersible Vessels, Oceanographic and Associated Equipment
X	Protective Personnel Equipment	XXI	Miscellaneous Articles

Surface  
and  
Subsurface

# MUNITIONS LIST

Air  
Ground

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I	Firearms	XII	Fire Control, Range Finder, Optical and Guidance and Control Equipment
II	Artillery Projectors	XIII	Auxiliary Military Equipment
III	Ammunition	XIV	Toxicological and Radiological
IV	Launch Vehicles, Guided Missiles, Ballistic Missiles, Rockets, Torpedoes, Bombs and Mines	XV	Spacecraft and Equipment
V	Explosives, Propellants, Incendiary Agents, and Their Constituents	XVI	Nuclear Warheads and Equipment
VI	Vessels of War and Special Naval Equipment	XVII	Classified Articles, Technical Data and Defense Services Not Otherwise Enumerated
VII	Tanks and Military Vehicles	XVIII	[Reserved]
VIII	Aircraft, [Spacecraft] and Associated Equipment	XIX	[Reserved]
IX	Military Training Equipment	XX	Submersible Vessels, Oceanographic and Associated Equipment
X	Protective Personnel Equipment	XXI	Miscellaneous Articles

Let us take  
the munition  
list  
categories  
and lay them  
out  
horizontally


# MUNITIONS LIST CATEGORIES

**BREADTH**



I	II	III	IV	V	VI	VII	VIII	IX	X	XII	XII	XIII	XIV	XV	XVI	XVII	XVIII	IXX	XX	XX1
---	----	-----	----	---	----	-----	------	----	---	-----	-----	------	-----	----	-----	------	-------	-----	----	-----

**DEPTH**



**Granted the scope  
of Navy munitions  
list interests is  
“broad” but we  
must examine the  
“depth”**

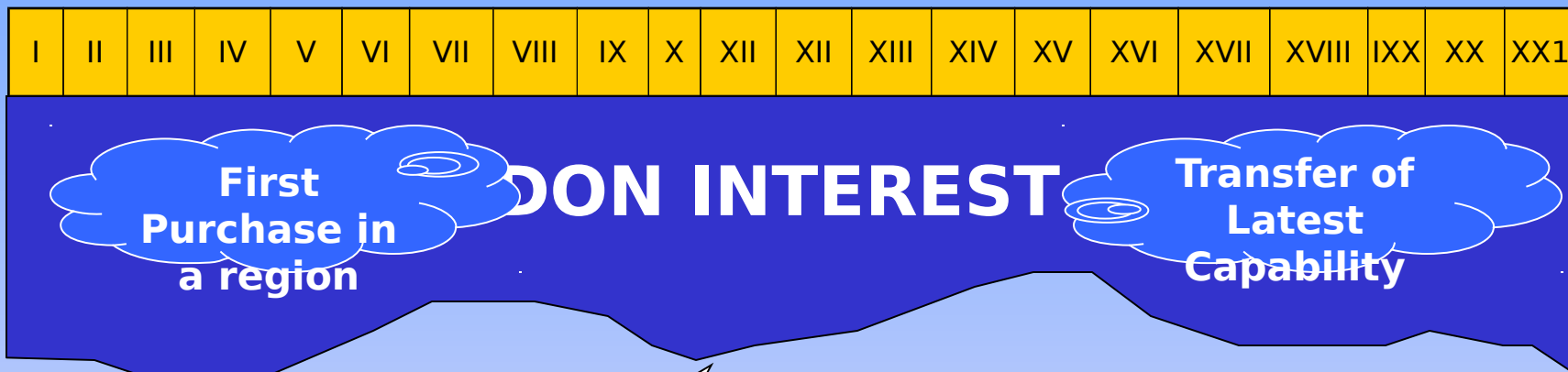
# MUNITIONS LIST CATEGORIES

**BREADTH**

↑

**DEPTH**

↓



**We don't  
need to see  
every  
license, just  
ones like...**



# MUNITIONS LIST CATEGORIES

**BREADTH** →

These are  
the types of  
things we  
don't need  
to see

VIII

IX

X

XII

XII

XIII

XIV

XV

XVI

XVII

XVIII

IXX

XX

XX1

**NON-INTEREST**

Transfer of  
Latest  
Capability

2nd Purchase  
of Same  
Equipment

Prior Purchases  
by Similar  
Countries

**NON-INTEREST**

Limited  
Capability  
Equipment

Extensions

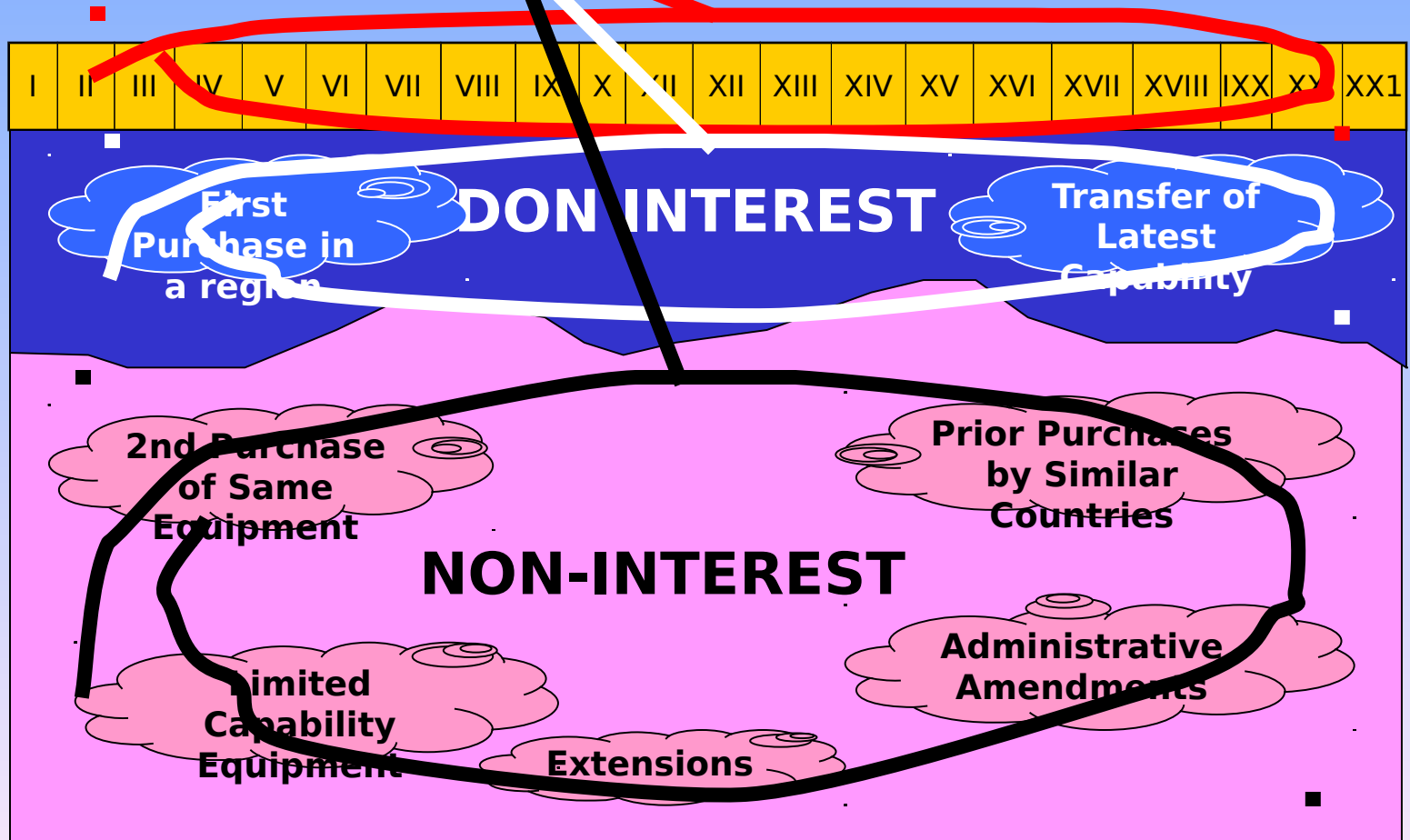
Administrative  
Amendments

**DEPTH**



# CHALLENGE #1

Quantify these  
criteria in specific  
terms:



## CHALLENGE #2

**Quantification of "criteria" (AKA in terms that can be obtained from license or existing DOD policy.**

**Good example because all of the information needed for the rule is likely to be in the license**

**GOOD  
EXAMPLE**

**DON doesn't need to see license applications when user is UK, CA, or Australia when identical equipment has been previously transferred/released to**

## CHALLENGE #2

**Quantification of "no more sensitive" criteria" (AKA "no more sensitive" criteria) in terms that call for a license to be obtained from licensor on a case-by-case basis, consistent with existing DOD policy.**

**Bad example because the rule calls for an interpretation that the Government must make on a case-by-case basis.**

**BAD  
EXAMPLE**

**DON doesn't need to see license applications if the equipment is considered to be "no more sensitive" than that sold to a "similar" country.**

## CHALLENGE #3

**After all the "interest criteria" (AKA rulesets) are defined, we need to ensure that the data needed to "solve" those rulesets are easily (and electronically) obtainable from license applications.**

# DATA FIELDS

**Assume for a moment that we can make all the rulesets we need with the following bits of information:**

- **Applicant or Company Name**
- **Type license (DSP 5, DSP-73, TAA, MLA, etc.)**
- **License action (new, amendment, etc.)**
- **Nomenclature (Mark and Mod number), if any, of subject hardware (whether TAA, hardware export or marketing license)**
- **Name of subject hardware (whether TAA, hardware export or marketing license)**
- **Munitions List Subcategory**
- **End-user Country**
- **End-user organization (for a particular end-user country)**
- **Foreign Intermediate Consignee**
- **Foreign Consignee**
- **First time export of this item or service to end-user (Yes, No)**

# DATA FIELDS

**Electronic file  
--free form  
with no fields**

**Electronic file  
with fields  
(and pick-  
lists)**

**The ACME company hereby submits an export license request to establish a manufacturing capability in Poland which would enable that country to produce tail sections, wheel struts and other critical subsystems of the**

**Applicant**

**ACME**



**Type License**

**MLA**



**Munitions  
List Cat.**

**VIII**



**End-User  
Country**

**Polan**

**d**



**First time  
export of  
this item to  
this**

**Yes**



**country?**

# SEQUENCE OF EVENTS

**This must  
occur...**

**Develop  
Rulesets**

**...before this  
can happen**

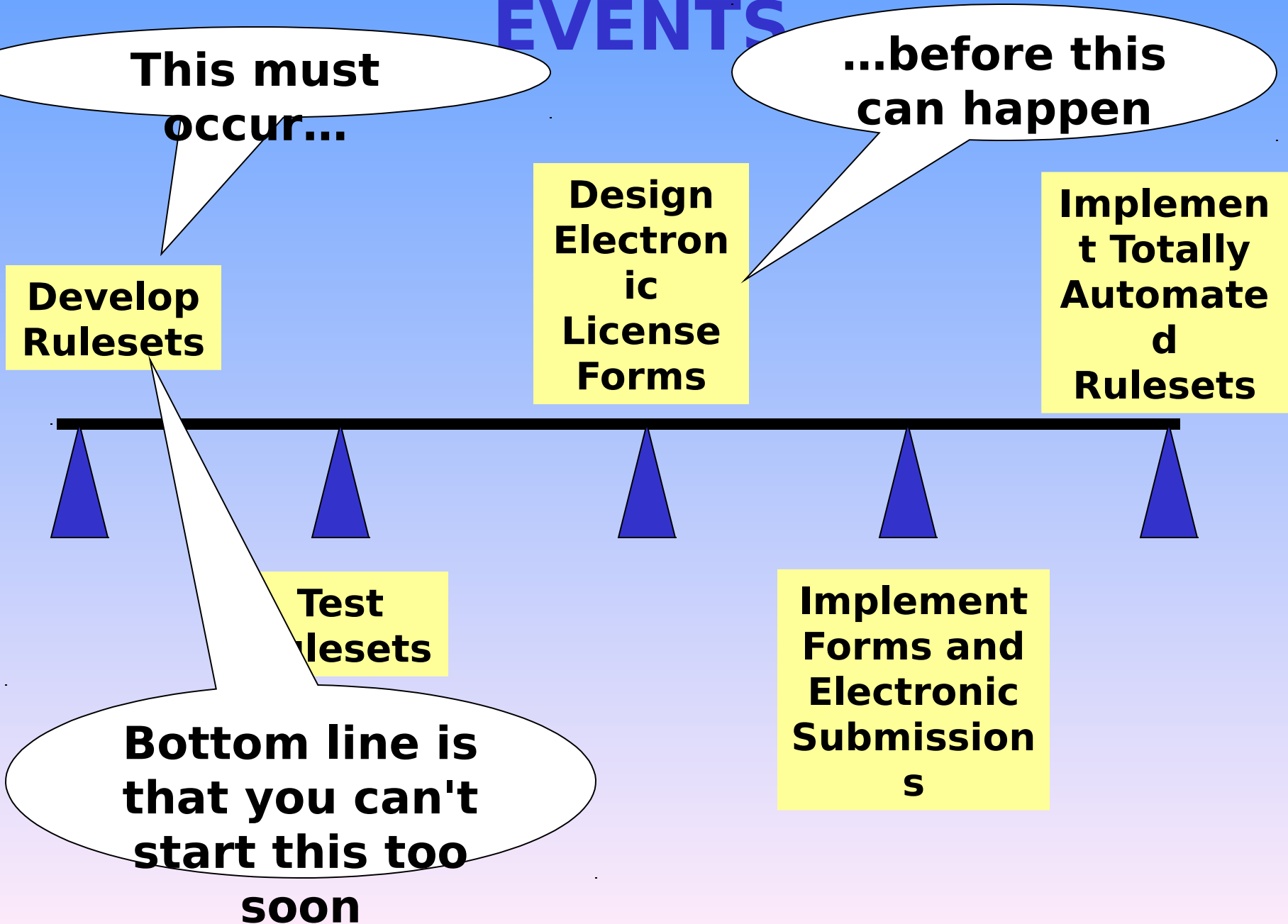
**Design  
Electron  
ic  
License  
Forms**

**Implemen  
t Totally  
Automate  
d  
Rulesets**

**Test  
Rulesets**

**Bottom line is  
that you can't  
start this too  
soon**

**Implement  
Forms and  
Electronic  
Submission  
s**





# CONCLUSION

- For those that found it difficult to grasp the centralized scanning concept, the ruleset theory is more difficult

Level of  
Difficulty

- ✓ Centralize  
d  
Scanning
- ✓ Ruleset



# CONCLUSION

- IPO might have to assign a larger team for Rulesets
- IPO currently has proposal into USXPORTS for Rulesets study
- IPO working with AF and Army

